GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1140
ANSWERED ON:15.07.2004
AMOUNT SPENT ON OIL IMPORTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the amount being spent by Government on account of oil import is increasing;

(b) if so, the extent of increase in the oil import bill during the each of the last three years;

(c) the impact of heavy expenditure being incurred on oil import on the economy of the country; and

(d) the steps taken by the Government to check oil import expenditure?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b) The gross import bill for the import of crude oil and petroleum product and the percentage increase/decrease in the gross import bill during the last three years was as follows :

Year	Rs. crore	% increase/ decrease ( )
2001-02	67,646	(13.3)
2002-03	85,042	25.7
2003-04	93,168	9.6

(c) While the heavy expenditure on oil imports is impacting substantially on the current account of the balance of payments, in view of the comfortable position of our foreign exchange reserves and the crucial contribution which energy makes to the growth process, oil imports are vital to the development of the economy in a situation where only about 30% of our oil requirement is met by the domestic crude industry.

(d) Steps taken by the Government to reduce/check the oil import dependence include the following :

(1) Efforts made to increase the production of crude oil and gas by :

(i) Increasing the exploration efforts through the New Exploration Licensing Policy.

(ii) Improving the recovery factor from the existing major fields by implementing Enhanced Oil Recovery (EOR) / Improved Oil Recovery (IOR) schemes.

(iii) Exploring new areas, especially in deep water and difficult frontier areas, as also exploring in the deeper layers of the producing fields.

(iv) Faster development of newly discovered fields and increased use of new technologies for seismic survey, work over, simulation operations, drilling of wells etc. in producing areas.

(v) Acquiring acreages abroad.

(2) Mandating ethanol blending of petrol in certain States and Union Territories.

(3) Increasing awareness of oil conservation measures.